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MONTANA LEGISLATIVE HISTORY

Chapter 299 19 1997

Bill H _____ S 127 Original bill & history X C

H. Committee on Taxation			S. Committee on Taxation		
Hearing Date(s)	2/11	X C	Hearing Date(s)	1/13	X C
		C		1/23	X C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ___ Yes X No

Committee _____ Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendent information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

296 *(Senate Bill No. 55; Benedict)* AN ACT AMENDING THE MONTANA MEDICAL CARE SAVINGS ACCOUNT ACT OF 1995 TO ALLOW ACCOUNT HOLDERS TO ADMINISTER THEIR OWN ACCOUNT; PROVIDING DEFINITIONS AND EXCEPTIONS; AMENDING SECTIONS 15-61-102, 15-61-203, AND 15-61-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE. 1383

297 *(Senate Bill No. 100; Beck)* AN ACT CLARIFYING THE CLASSIFICATION OF FOREST LAND FOR PROPERTY TAX PURPOSES; CLARIFYING THE PROPERTY TAX RATE APPLIED TO FOREST LAND; REVISING THE DEFINITIONS OF "FOREST LAND" AND "FOREST PRODUCTIVITY VALUE"; AMENDING SECTIONS 15-6-143, 15-44-102, AND 15-44-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE. 1386

298 *(Senate Bill No. 112; Van Valkenburg)* AN ACT CREATING A VIATICAL SETTLEMENT ACT; PROVIDING FOR LICENSURE OF VIATICAL SETTLEMENT PROVIDERS AND BROKERS; PROVIDING FOR REGULATION BY THE INSURANCE COMMISSIONER; PROVIDING AUTHORITY TO PROMULGATE RULES; PROVIDING MINIMAL REQUIREMENTS FOR VIATICAL SETTLEMENT CONTRACTS; PROVIDING FOR EXAMINATION OF LICENSEES AND LICENSE APPLICANTS; PROVIDING FOR DISCLOSURE OF INFORMATION; PROVIDING FOR CONDITIONS PRECEDENT TO VIATICAL SETTLEMENT CONTRACTS; PROVIDING FOR CONFIDENTIALITY; AND PROVIDING REQUIREMENTS FOR PAYMENT PURSUANT TO VIATICAL SETTLEMENT CONTRACTS. 1389

299 *(Senate Bill No. 127; Cole)* AN ACT CLARIFYING THAT THE WHOLESALE VALUE OF AGRICULTURAL IMPLEMENTS AND MACHINERY FOR PROPERTY TAX PURPOSES IS THE AVERAGE WHOLESALE VALUE; SPECIFYING THE OFFICIAL GUIDE TO BE USED BY THE DEPARTMENT OF REVENUE IN DETERMINING THE AVERAGE WHOLESALE VALUE OF AGRICULTURAL IMPLEMENTS AND MACHINERY; REQUIRING THE DEPARTMENT TO USE A COMPARABLE PUBLICATION OR WHOLESALE VALUE CATEGORY IN DETERMINING THE WHOLESALE VALUE; AMENDING SECTION 15-8-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE. 1398

300 *(Senate Bill No. 134; Nelson)* AN ACT EXEMPTING A HOSPITAL DISTRICT FROM PROPERTY TAX LIMITATION LAW IF AUTHORIZED BY THE ELECTORATE OF THE DISTRICT; LIMITING THE NUMBER OF MILLS THAT MAY BE LEVIED BY AN EXEMPTED HOSPITAL DISTRICT; AND AMENDING SECTION 15-10-412, MCA. 1400

301 *(Senate Bill No. 213; Mahlum)* AN ACT REVISING THE PROPERTY TAX EXEMPTION FOR A DISABLED VETERAN OR SURVIVING SPOUSE; INCREASING THE INCOME LIMITATIONS APPLICABLE TO THE PROPERTY TAX EXEMPTION FOR A DISABLED VETERAN OR A SURVIVING SPOUSE; AMENDING SECTION 15-6-211, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE. 1404

302 *(Senate Bill No. 216; Van Valkenburg)* AN ACT GENERALLY REVISING PROCEDURES FOR POSTJUDGMENT REVIEW IN CRIMINAL CASES; CLARIFYING THE STANDARDS FOR APPELLATE REVIEW OF A DEATH SENTENCE; CLARIFYING THE REQUIRED CONTENTS OF POSTCONVICTION RELIEF PETITIONS;

	TRANSMITTED TO HOUSE		
1/29	3RD READING PASSED	48	0
1/30	FIRST READING		
1/30	REFERRED TO EDUCATION & CULTURAL RESOURCES		
2/05	HEARING		
2/07	COMMITTEE REPORT—BILL CONCURRED		
3/05	2ND READING CONCURRED	88	10
3/06	3RD READING CONCURRED	89	11
	RETURNED TO SENATE		
3/10	SIGNED BY PRESIDENT		
3/12	SIGNED BY SPEAKER		
3/13	TRANSMITTED TO GOVERNOR		
3/19	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 89		
	EFFECTIVE DATE: 10/01/97		

SB 127 INTRODUCED BY COLE *LC0183 DRAFTER: MARTIN*

CLARIFY THAT THE WHOLESALE VALUE OF AGRICULTURAL IMPLEMENTS AND MACHINERY FOR PROPERTY TAX PURPOSES IS THE AVERAGE WHOLESALE VALUE

BY REQUEST OF DEPARTMENT OF REVENUE

1/03	INTRODUCED		
1/07	FIRST READING		
1/07	REFERRED TO TAXATION		
1/13	HEARING		
1/13	FISCAL NOTE REQUESTED		
1/16	FISCAL NOTE RECEIVED		
1/18	FISCAL NOTE PRINTED		
1/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/25	2ND READING PASSED	46	0
1/27	3RD READING PASSED	48	2
	TRANSMITTED TO HOUSE		
1/28	FIRST READING		
1/28	REFERRED TO TAXATION		
2/11	HEARING		
2/12	COMMITTEE REPORT—BILL CONCURRED		
4/08	2ND READING CONCURRED	96	3
4/09	3RD READING CONCURRED	98	1
	RETURNED TO SENATE		
4/14	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		
4/15	TRANSMITTED TO GOVERNOR		
4/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 299		
	EFFECTIVE DATE: 04/17/97		

SB 128 INTRODUCED BY HARGROVE, ET AL. *LC0384 DRAFTER: NISS*

PROVIDE FOR THE REGULATION OF HEALTH INSURANCE CARRIERS WHO OFFER MANAGED CARE PLANS

BY REQUEST OF GOVERNOR & STATE AUDITOR

1/03	INTRODUCED
1/06	FISCAL NOTE REQUESTED
1/07	FIRST READING
1/07	REFERRED TO BUSINESS & INDUSTRY
1/08	REREFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
1/13	FISCAL NOTE RECEIVED
1/13	FISCAL NOTE PRINTED

SENATE BILL NO. 127

INTRODUCED BY COLE

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT THE WHOLESALE VALUE OF AGRICULTURAL IMPLEMENTS AND MACHINERY FOR PROPERTY TAX PURPOSES IS THE AVERAGE WHOLESALE VALUE; SPECIFYING THE OFFICIAL GUIDE TO BE USED BY THE DEPARTMENT OF REVENUE IN DETERMINING THE AVERAGE WHOLESALE VALUE OF AGRICULTURAL IMPLEMENTS AND MACHINERY; REQUIRING THE DEPARTMENT TO USE A COMPARABLE PUBLICATION OR WHOLESALE VALUE CATEGORY IN DETERMINING THE WHOLESALE VALUE; AMENDING SECTION 15-8-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-8-111, MCA, is amended to read:

"**15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

(c) Except as provided in subsection (3), the market value of all motor trucks; agricultural tools, implements, and machinery; and vehicles of all kinds is the average wholesale value shown in national appraisal guides and manuals or the value of the vehicle before reconditioning and profit margin. The department shall prepare valuation schedules showing the average wholesale value when a national appraisal guide does not exist.

(3) The department may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property, except:

(a) the wholesale value for agricultural implements and machinery is the ~~loan value~~ wholesale value category as shown in the Official Guide, Tractor and Farm Equipment, published by the ~~national farm and power equipment dealers association~~ North American equipment dealers association of Louis, Missouri. If the guide or the average wholesale value category is unavailable, the department use a comparable publication or wholesale value category.

(b) for agricultural implements and machinery not listed in ~~the~~ an official guide, the department prepare a supplemental manual in which the values reflect the same depreciation as those found in official guide; and

(c) as otherwise authorized in ~~Title~~ Titles 15 and ~~Title~~ 61.

(4) For purposes of taxation, assessed value is the same as appraised value.

(5) The taxable value for all property is the percentage of market or assessed value established each class of property.

(6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-5 15-23-516, 15-23-517, or 15-23-518.

(b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proce

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 valued as agricultural lands for tax purposes.

(d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity va of the land when valued as forest land.

(7) Land and the improvements on the land are separately assessed when any of the follow conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town."

NEW SECTION. **Section 2. Effective date -- retroactive applicability.** [This act] is effective passage and approval and applies retroactively, within the meaning of 1-2-109, to tax years beginning aft

December 31, 1996.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0127, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
Clarifying that the wholesale value of agricultural implements and machinery for property tax purposes is the average wholesale value; specifying the official guide to be used by the Department of Revenue in determining the average wholesale value of agricultural implements and machinery; requiring the department to use a comparable classification or wholesale value category in determining the wholesale value; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:
The proposal updates the statute to replace the reference to a no longer published guidebook with that of its successor. The successor guidebook was first used in tax year 1996 and is referenced in current administrative rules. Hence, the bill has no impact on state or local government expenditures or revenues.

Dave Lewis 1-16-97
BUDGET DIRECTOR DATE
Office of Budget and Program Planning

MACK COLE, PRIMARY SPONSOR DATE

Fiscal Note for SB0127, as introduced

SB 127

SENATE TAXATION

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0020	GAGE, DELWYN 12/27	1/08	REVISE DEFINITION OF AVERAGE MILL LEVY APPLIED TO RAILROAD CAR PROPERTY	DO PASS VOTE: 9-0		1/11
SB0026	COLE, MACK 12/27	1/14	REVISE TAXATION OF TRAILERS WEIGHING LESS THAN 26,000 POUNDS	PASS AS AMENDED VOTE: 9-0		1/21
SB0057	WATERMAN, MIGNON 1/03	1/14	GENERALLY REVISE THE TAXATION OF MOTOR VEHICLES	PASS AS AMENDED VOTE: 9-0		1/28
SB0100	BECK, TOM 1/03	1/10	REVISE FOREST LAND TAXATION LAWS	PASS AS AMENDED VOTE: 9-0		1/22
SB0122	GAGE, DELWYN 1/07	1/10	MAKING THE OPERATOR PERSONALLY LIABLE FOR PAYMENT OF OIL AND GAS TAXES	TABLED ON 01/28 VOTE: 5-4		
SB0127	COLE, MACK 1/07	1/13	CLARIFY VALUATION OF AGRICULTURAL IMPLEMENTS AND MACHINERY	PASS AS AMENDED VOTE: 9-0		1/23
SB0134	NELSON, LINDA 1/08	1/22	ALLOW VOTE FOR HOSPITAL DISTRICT TO LEVY 3 MILLS -- OUT OF I-105	DO PASS VOTE: 8-1		1/30
SB0151	MILLER, KEN 1/09	1/15	INCOME TAX DEDUCTION FOR HEALTH AND LONG CARE INSURANCE -- EXTENDED FAMILY	PASS AS AMENDED VOTE: 5-3		1/28
SB0177	FOSTER, MIKE 1/14	1/21	EXPAND $800 ELDERLY INTEREST EXCLUSION TO INCLUDE DIVIDEND INCOME	DO PASS VOTE: 5-4		2/06
SB0184	FOSTER, MIKE 1/16	1/23	ALLOW INDIVIDUAL INCOME TAX CREDIT FOR DEPENDENT CARE SERVICES	PASS AS AMENDED VOTE: 8-1		1/31
SB0189	JABS, REINY 1/22		REVISING THE TERRITORIAL INTEGRITY ACT	VOTE:		
SB0191	HARGROVE, DON 1/17		PROVIDING FOR CREATION, BY ELECTION, OF RESORT AREA DISTRICT; DIRECTORS; ETC	VOTE:	LOCAL GOVERNMENT	

MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on January 13, 1997, at 8:00 a.m., in Room 415.

ROLL CALL

Members Present:
Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)

Members Excused: Sen. Fred R. Van Valkenburg (D)

Members Absent: None

Staff Present: Jeff Martin, Legislative Services Division
Sharon Cummings, Acting Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: SB 127, 1/7/97
Executive Action: None

HEARING ON SB 127

Sponsor: **MACK COLE, SD 4, HYSHAM**

Proponents: **Sharon Ferguson, Department of Revenue**
Brad Griffin, Montana Hardware & Implement Association

Opponents: None

Opening Statement by Sponsor:

SEN. MACK COLE, SD 4, HYSHAM. This bill is requested by the Revenue Oversight Committee. This is a housekeeping bill changing the language so that we are now using the official guide for tractor and farm equipment. We have also eliminated the

category, loan value, which is now being called average wholesale value. There is one small amendment #sb012701.ajm. **(EXHIBIT #1)**

Proponents' Testimony:

Sharon Ferguson, Property Assessment Division, Department of Revenue (DOR) hands in a prepared statement for SB 127 **(EXHIBIT #2)** and photocopies from the old and new guidebook **(EXHIBIT #3)**.

Brad Griffin, Montana Hardware & Implement Association states we represent virtually every implement dealer in the State. We rely on the Guide 2000 for all our deals. We wholeheartedly support all the changes being proposed.

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Count: 5:05; Comments: None.}

Questions From Committee Members and Responses:

SEN. SPOOK STANG notices there is no fiscal note with this. Even if there is no fiscal impact, we should have a fiscal note stating this.

SEN. COLE states there is no fiscal impact with this proposal.

SEN. STANG would like a statement from the budget office to make sure the budget office agrees there is no fiscal impact.

SEN. COLE states we'll request that information from the budget office.

CHAIRMAN GERRY DEVLIN asks if there is any difference in these two books. Is the wholesale, in the new book, the same as loan value?

Ms. Ferguson states yes, this occurred in 1995 for tax year 1996. We are buying the publication, which has been redesigned, from the same company. We amended our administrative rule with the letter I received from the publisher as the basis for the change in rule. We said that the loan value is best represented in the new publication by the wholesale value. There is some differences in the publication itself but we have not changed publications. **Mr. Griffin** may be able to enlighten you on the changes and reasons.

Mr. Griffin explains this book is published by the North American Equipment Dealers Association, which is the national affiliate for the Montana Implement Dealers. It was called the Farm and Tractor Equipment Guide and is now called the Guide 2000, Northwest Region Equipment Guide, in anticipation of the millennium. There is no difference, it is the same book with a new cover and name. Dealers, bankers and the DOR were not

getting very accurate valuation data because collection from the field was not being done on a timely basis. Now all the dealers in the state report every sale, actually 50%, to the North American Equipment Dealers. Within a week they tabulate these values and publish the book. The information is being done on a much more timely basis. Bankers appreciate having real values rather than values on deals that were done six months ago. This book comes out quarterly.

CHAIRMAN DEVLIN states he's looking at the old book, why does a model 7120 have a different value depending on the region you are in?

Mr. Griffin replies there is a different demand for the machine in different regions.

SEN. BOB DE PRATU states it is the same with cars. He asks if the first book of the year is used so everyone's tax remains the same all year long.

Ms. Ferguson states yes, we purchase one guidebook that is used for a tax year and distribute it statewide.

SEN. STANG asks **Mr. Griffin** or **Ms. Ferguson** to show where the model 7110 in the older publication correlates to the average wholesale in the new publication.

Ms. Ferguson explains she simply took a copy of the layout of the old guide and new guide. Since they are not for the same year and the same time, I cannot compare. I can tell you that the old guidebook listed the models of older equipment and a loan value for that equipment. The new guidebook lists equipment value for the past 20 years. Consequently, older equipment saw a decrease in value because of the procedures put into place. It is my understanding, from working with the book, that the newer equipment stayed about the same. You may see a little fluctuation because this guide represents the actual wholesale/retail value of the machine better. I can't compare the two because the two weren't published simultaneously. That is why I included the letter from the publisher.

SEN. STANG asks if there is a fiscal impact to the counties. If the values are going to be different, how much different are they? I would like a comparison so we can tell before a decision is made on this.

Ms. Ferguson states the DOR used this publication for the value of farm machinery in 1996. I can show you the value of farm machinery from 1995 to 1996, county by county. I am not aware that there was a real difference in the value.

SEN. MIKE SPRAGUE asks if farm machinery is different from an automobile in the sense that farm machinery tends to go up in value where cars tend to go down. Does farm machinery go up in

value because of supply and demand as well?

Ms. Ferguson states she gets the same complaint from car owners. The values are impacted by supply, demand and use. What we find is that older equipment maintains its value, for example the Ford 8N was last made in 1952. It sold for $1,400 new and is still worth that today. Inflation, supply and demand are built into these values. What I am testifying to is that we did not see a negative impact to the taxpayers when we used this guidebook last year.

CHAIRMAN DEVLIN states, in looking at the two publications, the prices seem to be higher in the old publication.

Ms. Ferguson states she can get those figures. I will look at the market value of farm machinery between the two years and see if there was an impact. We didn't have any feel on the value of farm machinery in 1996.

SEN. DE PRATU asks how the value of the equipment is being determined after the 21st year. Is there a flat fee for all types of equipment or does it vary by equipment based on original?

Ms. Ferguson states we have procedures in place which are outlined in our administrative rules process. If the tractor is no longer listed with a wholesale value in the current publication, we determine the original factory price of that farm machinery. We apply a depreciation percent of 20%. We would take 20% of the $1,400 original price on the Ford 8N, since it is no longer listed in the current guidebook with a loan or wholesale value.

SEN. STANG requests a fiscal note and the effect on the counties.

Closing by Sponsor:

SEN. COLE closes on SB 127.

{Tape: 1; Side: A; Approx. Time Count: 8:20; Comments: None.}

PRESENTATION ON ALBRIGHT SUPREME COURT CASE

Mr. David Woodgerd, Chief Counsel, Department of Revenue. The Albright case was filed in 1993. It challenges the 1993 Class 4 property reappraisal on a statewide basis. The complaint was twenty pages long and full of vague allegations of unconstitutionality. We filed a motion to dismiss and a motion for a more definite statement in an attempt to find out the specific problems. That motion was pending for 2 years in the District Court. Finally, at the end of 1995, the attorney began focusing on what his problems were. He filed 15 separate motions for summary judgement and outlined the 15 reasons why he thought the reappraisal was unconstitutional. While he was in the

Closing by Sponsor:

SEN. DOHERTY thinks this is a good way to spend money in this session; this says the Legislature has a policy of trying to ensure we take care of our kids and our seniors and that we're willing to spend the money to do so.

SEN. FOSTER agrees this is an opportunity to reach the people who can benefit most. The comments the fiscal note reflects a 100% credit compared to the Federal credit; if the Committee is uncomfortable with the $4 million hit, the percentage could be lowered.

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SEN. MIKE SPRAGUE asks what the procedure is when there are two identical bills. **SEN. ECK** responds the Legislative Council will deal with it if they are asked to do so. **CHAIRMAN DEVLIN** says usually they catch the duplication but sometimes they are too busy to catch it.

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EXECUTIVE ACTION ON SB 127

{Tape: 1; Side: A; Approx. Time Count: 21.6; Comments: None.}

MOTION: SEN. MACK COLE MOVED AMENDMENTS 12701.ajm EXHIBIT 2

EXPLANATION OF AMENDMENTS: **Jeff Martin** explains the amendment changes the name of the guide that's used to track farm equipment.

VOTE: MOTION TO ADOPT AMENDMENTS 12701 CARRIED UNANIMOUSLY.

MOTION: SEN. COLE MOVED SB 127 DO PASS AS AMENDED.

DISCUSSION:
SEN. COLE: This bill was held back; we looked at the old guide and called a couple of counties and a couple of farm dealers. They don't have a problem with the bill.

SEN. BARRY STANG: The Department of Revenue should have brought the issue before the Revenue Oversight Committee.

CHAIRMAN GERRY DEVLIN: Why wasn't it brought before the Revenue Oversight Committee? **Mr. Wilke, Department of Revenue,** responds there isn't any other guide, so it was a moot point.

SEN. BOB DEPRATU: This is a legitimate vehicle, but he understands the concerns with protocol.

VOTE: MOTION THAT SB 127 DO PASS AS AMENDED CARRIED UNANIMOUSLY.

BRIEF DISCUSSION OF THE REVENUE OVERSIGHT COMMITTEE

HOUSE TAXATION

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0026	COLE, MACK 1/25	2/04	REVISE TAXATION OF TRAILERS WEIGHING LESS THAN 26,000 POUNDS	CONCUR 2/7 VOTE: 18-0		2/08
SB0047	FOSTER, MIKE 1/15	1/22	EXTEND ELECTRONIC SIGNATURE ALTERNATIVE	CONCUR AS AMENDED 1/22 VOTE: 20-0		1/23
SB0049	GAGE, DELWYN 2/11	3/06	REVISE DISTRIBUTION OF OIL AND NATURAL GAS TAXES FOR DEFICIENCY & CREDITS	CONCUR 3/6 VOTE: 19-1		3/07
SB0057	WATERMAN, MIGNON 2/01	2/07	GENERALLY REVISE THE TAXATION OF CERTAIN MOTOR VEHICLES	CONCUR 3/14 VOTE: 14-6		3/15
SB0100	BECK, TOM 1/27	2/05	REVISE FOREST LAND TAXATION LAWS	CONCUR 2/6 VOTE: 19-1		2/07
SB0119	COLE, MACK 1/25	2/04	GENERALLY REVISE TAX ADMINISTRATION	CONCUR 2/4 VOTE: 19-0		2/04
SB0125	CHRISTIAENS, CHRIS 1/29	2/05	UNIFORM UNCLAIMED PROPERTY ACT	CONCUR 2/5 VOTE: 17-3		2/06
SB0127	COLE, MACK 1/28	2/11	CLARIFY VALUATION OF AGRICULTURAL IMPLEMENTS AND MACHINERY	CONCUR 2/11 VOTE: 19-0		2/12
SB0130	HOLDEN, RIC 1/27	2/04	REQUIRING ACTUAL NOTICE TO CERTAIN TAXPAYERS IN A TAX SALE PROCEEDING 2/6	CONCUR AS AMENDED 2/10 VOTE: 17-0		2/11
SB0133	SWYSGOOD, CHARLES 2/04	2/11	REAUTHORIZE 6 MILL LEVY FOR UNIVERSITY SYSTEM	CONCUR 2/11 VOTE: 17-2		2/12
SB0134	NELSON, LINDA 2/04	2/17	ALLOW VOTE FOR HOSPITAL DISTRICT TO LEVY 3 MILLS -- OUT OF I-105	CONCUR 2/17 VOTE: 17-3		2/17
SB0151	MILLER, KEN 2/01	2/06	INCOME TAX DEDUCTION FOR HEALTH AND LONG CARE INSURANCE -- EXTENDED FAMILY	CONCUR 3/5 VOTE: 18-2		3/06

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Vice Chairman Robert Story, on February 11, 1997, at 8:00 a.m., in Room 437.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. John C. Bohlinger (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (D)
Rep. Dan W. Harrington (D)
Rep. Rick Jore (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Richard D. Simpkins (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Jack Wells (R)

Members Excused: None.

Members Absent: None

Staff Present: Lee Heiman, Legislative Services Division
Donna Grace, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 133 (2/5)
SB 127 (2/5)
HB 438 (2/5)
HB 446 (2/5)

Executive Action: SB 133 - Concur
SB 127 - Concur
HB 378 - Remove from Table

HEARING ON SB 133

Opening Statement by Sponsor:

Sen. Charles Swysgood, Senate District 17, opened the hearing on SB 133, a bill to provide for continued support of the University System for 10 years (6 mill levy). *{Tape: 1; Side: A; Approx. Time Count: 1.2.}*

Proponents' Testimony:

Richard Crofts, Commissioner, University System. *{Tape: 1; Side: A; Approx. Time Count: 3.0.}*

John Malee, Montana Federation of Teachers. *{Tape: 1; Side: A; Approx. Time Count: 6.6.}*

Jeremy Fritz, Associated Students of Montana State University. *{Tape: 1; Side: A; Approx. Time Count: 6.8.}*

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 8.6.}

Closing by Sponsor:

Sen. Swysgood closed. Rep. Denny will carry the bill on the House floor. *{Tape: 1; Side: A; Approx. Time Count: 10.3.}*

HEARING ON SB 127

Opening Statement by Sponsor:

Rep. Mack Cole, Senate District 4, opened the hearing on SB 127. The bill is a "housekeeping" bill, introduced at the request of the Department of Revenue. *{Tape: 1; Side: A; Approx. Time Count: 12.0.}*

Proponents' Testimony:

Sharon Ferguson, Assessment Bureau, Department of Revenue. *{Tape: 1; Side: A; Approx. Time Count: 14.8.}*

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 16.9.}

Closing by Sponsor:

Sen. Cole closed. Rep. Rose will carry the bill on the House floor. *{Tape: 1; Side: A; Approx. Time Count: 19.0.}*

HEARING ON HB 438

Opening Statement by Sponsor:

Rep. Deb Kottel, House District 45, presented the bill which would defer increased property taxes for certain individuals over age 65. *{Tape: 1; Side: A; Approx. Time Count: 22.0.}*

Proponents' Testimony:

Elmer Fauth, Great Falls Senior Citizens' Association. *{Tape: 1; Side: A; Approx. Time Count: 26.9.}*

Irene Thuery, American Association of Retired Persons. *{Tape: 1; Side: A; Approx. Time Count: 27.9.}*

Madelyn Camern, Great Falls resident. *{Tape: 1; Side: A; Approx. Time Count: 28.7.}*

Opponents' Testimony:

None.

Informational Testimony:

Bill Tobin, Helena. *{Tape: 1; Side: A; Approx. Time Count: 29.9.}*

Questions From Committee Members and Responses:

EXHIBIT 1. (Suggested amendment to bill.) *{Tape: 1; Side: A; Approx. Time Count: 32.8; Comments: Questions continued on Tape 1B.}*

Closing by Sponsor:

Rep. Kottel closed. *{Tape: 1; Side: B; Approx. Time Count: 6.6.}*

EXECUTIVE ACTION ON SB 127

Motion/Vote:

Rep. Taylor moved that SB 127 be concurred in. On a voice vote, the motion passed 91 - 0. *{Tape: 2; Side: A; Approx. Time Count: 2.2.}*

The Committee held an informal discussion on HB 381 and the accuracy of information provided in the fiscal note. *{Tape: 2; Side: A; Approx. Time Count: 7.7.}*

The Committee discussed introduction of a bill to tax Internet, etc., Rep. Bohlinger moved to draft a committee bill. Judy Paynter, DOR, provided information. Rep. Bohlinger withdrew his motion pending receipt of further information. *{Tape: 2; Side: A; Approx. Time Count: 14.0.}*

EXECUTIVE ACTION ON HB 378

Motion/Vote:

Rep. Ryan moved to take HB 378 from the table. The motion passed 13 - 5 with Reps. Story, Wells, Jore, Taylor and Hanson voting no. A motion will be made on the floor to move the bill to the Appropriations Committee. *{Tape: 2; Side: B; Approx. Time Count: 28.2.}*

{Tape: 2; Side: A; Approx. Time Count: 38.0; Comments: Adjourn.}